

Message Text

CONFIDENTIAL

PAGE 01 QUITO 03217 191701 Z

47

ACTION ARA-17

INFO OCT-01 ADP-00 INT-08 SCEM-02 L-03 H-02 PRS-01 AID-20

EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15 STR-08

OMB-01 CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 COA-02 IGA-02 RSR-01 /140 W

----- 128620

R 191616 Z JUN 73

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 7788

INFO AMEMBASSY LIMA

AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 3217

LIMA FOR ASST SECY KUBISCH

E. O. 11652: GDS

TAGS: PBOR, EFIS, ENRG, EC, US

SUBJECT: THE RELATIONSHIP BETWEEN FISHERIES PROBLEMS
AND THE TEXACO GULF NEGOTIATIONS IN ECUADOR.

REF: QUITO 2968

1. SUMMARY: THE EMBASSY AND LOCAL TEXACO GULF OFFICIALS
FEAR THAT THE EFFECTS OF THE IMPLEMENTATION OF HR 7117
COULD ADVERSELY AFFECT THE TEXACO GULF NEGOTIATIONS WITH
THE GOE. THESE NEGOTIATIONS ARE NOW AT A DELICATE POINT
AND MAY REMAIN THAT WAY FOR SOME TIME. THE EMBASSY
RECOMMENDS A WAIVER OF HR 7117 BEFORE OR CONCURRENT WITH
NOTIFICATION. END SUMMARY.

2. HERETOFORE WE HAVE HELD THE POSITION THAT THE US-
ECUADOREAN FISHERIES DISPUTE HAS NOT AFFECTED US PETROLEUM
INTERESTS IN ECUADOR. IN OUR OPINION, SPECIAL CONDITIONS
NOW PREVAILING AND OTHER FACTORS ABOUT TO ENTER THE
EQUATION HAVE THE STRONG POTENTIAL FOR ALTERING THIS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 QUITO 03217 191701 Z

SITUATION.

3. AS REPORTED IN REFTEL THE GOE TEXACO GULF NEGOTIATIONS ARE AT A DELICATE STAGE. WE EXPECT THAT THIS SITUATION WILL PERSIST FOR SOME TIME (THE LEGAL DEADLINE IS POSTPONED UNTIL AUGUST 6). IT IS LIKELY THAT THE ABSENCE OF A SIGNED CONTRACT WILL ATTRACT INCREASING ATTENTION. INDEED THIS MIGHT BE USED AGAINST THE MINISTER OF NATURAL RESOURCES BY HIS POLITICAL ENEMIES. SINCE THE MINISTER ' S USUAL REACTION TO THREATENING SITUATIONS IS TO WRAP HIMSELF IN THE FLAG , HE MIGHT TURN THE PROLONGED ABSENCE OF A SIGNED CONTRACT INTO AN ISSUE OF NATIONALISM.

4. AT THE SAME TIME, WE EXPECT THAT THE NOTIFICATION REQUIRED BY HR 7117 WILL BE MADE IN THE RELATIVELY NEAR FUTURE. AS WE HAVE REPORTED PREVIOUSLY, WE BELIEVE THAT THE POTENTIAL FOR TROUBLE OVER THE SIMPLE NOTIFICATION IS CONSIDERABLE, THAT THE POSSIBILITIES OF PROBLEMS WITH ECUADOR OVER A CLAIM WOULD BE EVEN HIGHER, AND THAT SERIOUS DIFFICULTIES ARE ALMOST CERTAIN WHEN AND IF A DEDUCTION IS MADE FROM THE AID/ E PROGRAM. THE COMPLICATIONS WHICH WE HAVE PREDICTED HAVE UNTIL NOW BEEN FOCUSED ON THE LIKELIHOOD OF THE EXPULSION OF THE AID/ E MISSION AND THE ADVERSE EFFECTS ON U. S. EFFORTS TO PARTICIPATE IN THE FISHING COMPLEX.

5. THE JUXTAPOSITION OF THE TEXACO GULF NEGOTIATIONS WITH THE BEGINNING OF IMPLEMENTATION PROCESS OF HR 7117, THE FACT THAT THE SAME MINISTRY AND CAST OF CHARACTERS ARE INVOLVED IN BOTH AREAS, AND THE FACT THAT BOTH ISSUES ARE HIGHLY EMOTIONAL AND NATIONALISTIC ONES, SUGGEST TO US THAT THERE IS CONSIDERABLE POTENTIAL FOR THE FISHERIES ISSUE NOW TO AFFECT ADVERSELY OUR PETROLEUM INTERESTS HERE.

6. IN ORDER TO MINIMIZE THE POSSIBILITY OF THE FISHERIES PROBLEM ADVERSELY AFFECTING THE PETROLEUM NEGOTIATIONS THE EMBASSY MAKES TWO RECOMMENDATIONS:

A) THAT A WAIVER OF THE AID DEDUCT PROVISION BE OBTAINED PROMPTLY AND IN ADVANCE OF THE NOTIFICATION
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 QUITO 03217 191701 Z

CONTEMPLATED IN HR 7117 SO THAT WHEN AND IF NOTIFICATION IS MADE THE US CAN AUTHORITATIVELY ASSURE THE GOE THAT NO DEDUCTION IS PLANNED.

B) THAT THE NOTIFICATION ITSELF BE DELAYED IF POSSIBLE UNTIL AFTER AUGUST 6 -- THE DEADLINE SET BY THE GOE FOR THE PETROLEUM NEGOTIATIONS.

7. THE TEXACO- GULF OIL PRODUCTION IN ECUADOR IS THE MAJOR US INTEREST IN THIS COUNTRY. NEGOTIATIONS OVER THE FUTURE OF THIS PRODUCTION SHOULD NOT BE JEOPARDIZED BY SEPARATE ISSUES. DELAYING NOTIFICATION UNDER THE FPA AND/ OR WAIVING THE AID DEDUCTION ARE NOT FINAL OR IR-REVERSIBLE ACTIONS, AND THEY SEEM TO US A SMALL PRICE TO PAY TO AVOID ENDANGERING A MAJOR US INVESTMENT. IN THIS INSTANCE OIL SHOULD TAKE PRECEDENCE OVER FISH.

8. IT APPEARS THAT TEXACO GULF OFFICIALS HAVE INDEPENDENTLY ARRIVED AT THE SAME GENERAL CONCLUSION WHICH IS PRESENTED IN PARAGRAPH 5 ABOVE SINCE SEVERAL HIGH TEXACO GULF OFFICIALS HAVE APPROACHED DIFFERENT MEMBERS OF THE EMBASSY IN THE LAST TWO DAYS TO EXPRESS THE HOPE THAT THE U. S. WAS NOT ABOUT TO TAKE ANY ADVERSE ACTION ON FISH AT THIS DELICATE POINT IN THEIR NEGOTIATIONS. THIS IS THE FIRST TIME THAT THEY HAVE EXPRESSED SUCH CONCERN TO US.
CHAPLIN

CONFIDENTIAL

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973QUITO03217
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730624/aaaajhmv.tel
Line Count: 140
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 QUITO 2968
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 18 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18-Jan-2002 by martinjw>; APPROVED <08 FEB 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980217
Subject: THE RELATIONSHIP BETWEEN FISHERIES PROBLEMS AND THE TEXACO GULF NEGOTIATIONS IN ECUADOR.
TAGS: EFIS, ENRG, PBOR, EC, US
To: ARA
GUAYAQUIL
LIMA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005